



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Legislative Analysis**

**Regional Transportation Committee**

November 10, 2005

9:30 AM

Commission Chamber

Charles Anderson, CPA  
Commission Auditor

111 NW First Street, Suite 1030  
Miami, Florida 33128  
305-375-4354

**LEGISLATIVE ANALYSIS**

***FEASIBILITY OF PROVIDING SURTAX FUNDS TO CITIES OF MIAMI GARDENS  
AND DORAL AS AMENDED TO STUDY ADDITIONAL FUTURE MUNICIPALITIES***

County Manager

**I. SUMMARY**

This item is in response to Commissioner Barbara J. Jordan's request, on September 8, 2005, that the County Manager and the Citizens' Independent Transportation Trust (CITT) provide a report on the feasibility of providing the Cities of Doral and Miami Gardens with proceeds from the Peoples' Transportation Plan (PTP) Surtax through a Municipal Allocation formula.

Commissioner Jordan asked that this report be provided to the Regional Transportation Committee within sixty (60) days.

Further, this item contains a resolution, passed by the CITT on October 31, 2005, recommending that the Board of County Commissioners (BCC) adopt, "on a future date", an ordinance increasing the Transportation Surtax from the ½ percent to a full one percent.

**II. PRESENT SITUATION**

On November 5, 2002, the residents of Miami-Dade County approved a ½ cent sales tax increase to be used for transit and transportation enhancements and expansion within the County. Initial projections for the revenues derived from this surtax were \$150 million annually. The outline for these improvements was provided for and approved by the Board of County Commissioners, via Ordinance 02-116 known as the Peoples' Transportation Plan.

One component of the PTP was a municipal allocation process.

According to Sec. 29-124 of the codes of Miami-Dade County, 80% of the revenues generated from the surtax shall remain with the County for use on Countywide projects listed in Exhibit 1 of the PTP. The remaining 20% shall be distributed to the municipalities as follows:

Sec. 29-124. Special fund created; uses of surtax proceeds; and role of Citizens' Independent Transportation Trust.

(f) Twenty percent of surtax proceeds shall be distributed annually to those cities existing as of November 5, 2002 that meet the following conditions:

(i) That continue to provide the same level of general fund support for transportation that is in their FY 2001-2002 budget in subsequent Fiscal Years. Any surtax proceeds received

**RTC ITEM 7(K)**  
**November, 10 2005**

shall be applied to supplement, not replace a city's general fund support for transportation;

(ii) That apply 20% of any surtax proceeds received to transit uses in the nature of circulator buses, bus shelters, bus pullout bays or other transit-related infrastructure. Any city that cannot apply the 20% portion of surtax proceeds it receives as provided in the preceding sentence, may contract with the County for the County to apply such proceeds on a County project that enhances traffic mobility within that city and immediately adjacent areas. If the city cannot expend such proceeds in accordance with either of the preceding sentences, then such proceeds shall carry over and be added to the overall portion of surtax proceeds to be distributed to the cities in the ensuing year and shall be utilized solely for the transit uses enumerated in this subsection (ii); and

(iii) Surtax proceeds distributed amongst the existing cities shall be distributed on a pro rata basis based on the ratio such city's population bears to the total population in all such cities (as adjusted annually in accordance with the Estimates of Population prepared by the Bureau of Economic and Business Research of the University of Florida) annually to those cities that continue to meet the foregoing conditions.

For purposes of the foregoing, whenever an annexation occurs in an existing city, the number of persons residing in such annexed area at the time it is annexed shall be excluded from all calculations. Increases in population in areas annexed over and above the population in such area at the time of annexation which occur after annexation shall be included in subsequent years' calculations.

**(g) Newly incorporated municipalities shall have the right to negotiate with the County for a pro rata share of the sales surtax, taking into consideration the neighborhood and municipal projects identified in Exhibit 1, as amended, within the boundaries of the new municipalities. The preceding sentence shall not affect the twenty (20%) percent share provided herein for municipalities existing on November 5, 2002.**

At the time the surtax was passed, and the ordinance became effective, there were 32 incorporated municipalities within Miami-Dade County.

Subsequent to the passage of the PTP, the cities of Doral and Miami Gardens were in advanced stages of the municipal incorporation process. Elections were held in both areas in January 2003 that resulted in the creation of the cities of Doral and Miami Gardens.

Currently, as highlighted above, Ordinance 02-116 states that newly incorporated municipalities may negotiate with the County for a share of Surtax funds based on a formula taking into account population and current projects as outlined in Exhibit 1 of the PTP.

### **III. POLICY CHANGE AND IMPLICATION**

Ordinance 02-116 currently states any negotiations with newly incorporated municipalities *“shall not affect the twenty (20%) percent share provided herein for municipalities existing on November 2, 2002”*.

Any proposal that would place these two cities into the municipal allocation process with the original 32 cities would require an amendment to Ordinance 02-116.

**RTC ITEM 7(K)**  
**November, 10 2005**

It is reasonable to assume that there will be resistance from some of the original 32 cities if any dilution of the original municipal allocation process takes place.

**Control**

One of the main reasons it is attractive for a municipality to receive a share of the PTP Surtax is control. Within certain parameters, established in Ordinance 02-116, each municipality can control what projects the monies will be used for and when.

Although the CITT monitors how municipalities utilize proceeds from the Surtax, each city has certain leeway to spend these monies as they see fit.

Projects in unincorporated areas, listed in Exhibit 1 of the PTP, are controlled by the county.

**Precedent**

The County must be careful to take into account the precedent established by any new allocation policy. Unless Ordinance 02-116 is amended, any portion allocated to new municipalities will have to come from the County's 80% share.

If incorporation trends follow recent patterns, the County may soon have to negotiate allocations to a number of newly incorporated municipalities. Therefore, the policies established in this case will be used as guidelines in future negotiations.

Including Cutler Ridge, whose residents recently voted in favor of incorporating, there are nine areas in Unincorporated Miami-Dade County in some stages of the incorporation process.

Some of these areas are:

Biscayne Gardens  
Fisher Island  
Fountainbleau  
Goulds  
North Central Dade  
Northeast Dade  
Plant  
Redland

**IV. ECONOMIC IMPACT**

**Any allocations made to new municipalities, under the current guidelines or Scenarios B,C, and D outlined in this item, will have a negative effect of the Peoples' Transportation Plan Pro-forma.**

**RTC ITEM 7(K)**  
**November, 10 2005**

Current revenue projections estimate approximately \$176.6 million in revenues generated from this surtax for FY '06.

Of these revenues, \$35.3 million shall be distributed among the original 32 municipalities in existence as of November 5, 2002.

**V. COMMENTS AND QUESTIONS**

Although the recommendation, made by the CITT, to increase the Surtax to a full one percent would provide all municipalities with a greater amount than they presently receive, there is no assurance that this increase would be proffered, and/or would pass a referendum if it was.

The County Manager states (on handwritten pg.2), **“...it does not appear feasible at this time to provide surtax funding to municipalities created after November 2002 without significantly impacting the County’s ability to deliver PTP projects promised to the public”**.